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## NOTICE OF AWARD (NOA)

M-0002

### INDUSTRIAL/MRO SUPPLIES AND EQUIPMENT (A72605)

#### **I. Purpose & Intent:**

The purpose of this contract is to provide State Agencies and Cooperative Purchasing participants with a procurement mechanism to purchase a broad range of industrial and maintenance, repair and operations (MRO) items not currently covered under an existing State contract (non-Grainger contract) as defined under "Existing State Contracts" further in this NOA.

The categories covered under the contract are identified below:

MACSE Contract Line	Item Description	MACSE Contract Line	Item Description
00001	Motor & Power Transmission Parts & Equipment	00007	Material Handling Equipment & Parts
00002	Electrical Parts & Accessories	00008	Safety and Security Equipment & Supplies
00003	Lighting Materials, Including Fixtures & Lighting Controls	00009	Fluid Power Equipment & Parts
00004	Tools, Including Test Instruments & Outdoor Equipment	00010	Pumps and Plumbing Equipment & Supplies
00005	Metalworking and Shop Supplies & Equipment	00011	HVAC Equipment, Parts & Accessories
00006	Cleaning and Painting Equipment and Supplies		

#### **A. State Agencies:**

The Grainger contract is intended to be used for "one-off" item purchases, that is, those items that are intended to be purchased infrequently. State Agencies should continue to purchase large dollar items or regularly purchased items through the regular procurement process.

If an item is contained on both the Grainger and another existing State contract, then the item is to be purchased through the non-Grainger contract.

- Existing State Contracts (Non-Grainger Contract):

Agencies may not circumvent any one of the four primary contracting methods. If a similar item or service is available under another State contract or available from DSS,

DEPTCOR or CNA **and** the similar item or service addresses primary performance and/or functionality requirements, then the Grainger contract is not to be used. Minor differences in functionality and/or performance between the desired item or service and a similar item or service under another State contract or available from DSS, DEPTCOR or CNA are not valid reasons for purchasing such item(s) or service(s) under the Grainger contract.

- Grainger Sourcing

Under the master WSCA contract, the vendor offers “Grainger Sourcing”, a service in which Grainger will locate an item which is not included in its catalog and resell it to the using agency. Agencies using this service must comply with the existing limitations within the contract which preclude the purchase of material already under another State contract or available from DSS, DEPTCOR or CNA or which exceed or attempt to circumvent the expenditure threshold noted below.

**Important:** Although included in the contract, Grainger Sourcing purchases require the using agency to review competitive pricing through normal agency procurement procedures prior to the placement of purchase orders. The State’s requirement to control expenses and the assurance it is receiving the best possible pricing outweighs any convenience that agencies may derive from having a vendor perform their sourcing responsibilities.

- Threshold Limit:

The threshold limit for a single product item is capped at \$29,000. With the exception of the special exemption explained below, any single product item that exceeds \$29,000 cannot be purchased from this contract and must be submitted to the Purchase Bureau to perform the procurement through public bidding. Agencies may have a purchase order with numerous product items totaling over \$29,000, but no single product can cost more than \$29,000.

Note: The \$29,000 cap for a single product item includes the cost of the associated accessories that may be individually priced and also includes the total quantity of the product to be purchased. For example, if a generator costs \$25,000 and accessories cost \$4,000 for a total of \$29,000 each and ten (10) generators will be purchased for a total amount of \$290,000 then this item cannot be purchased from this contract. Another example: If a generator costs \$26,000 and accessories cost \$4,000 for a total amount of \$30,000, this item cannot be purchased from this contract.

**Purchases shall not be divided by dollar amount to circumvent the dollar limit imposed. Purchases under this contract are subject to audit by DPP’s Contract Compliance and Audit Unit (CCAU).**

State Agencies must also review the anticipated fiscal year volume of an anticipated product item to determine whether the Purchase Bureau should fulfill the procurement through public bidding. The Purchase Bureau also reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State’s best interest.

- Special Exemptions:

Homeland Security Only: State Agencies may request an exemption to the \$29,000 threshold for the purchase of homeland security equipment and supply items funded by federal, grants or a combination thereof. All exemption requests must be emailed to Robert Beauregard, Assistant Director, Purchase & Property, at [robert.beauregard@treas.state.nj.us](mailto:robert.beauregard@treas.state.nj.us) for review and approval. Exemption requests should include a detailed list of the requested items. Assistant Director Beauregard will determine the most cost effective method of procurement; i.e., whether all or portion of the items should be purchased from Grainger or be procured through another procurement source.

For All Other Exemption Requests: State Agencies must email justification to George Jones at [george.jones@treas.state.nj.us](mailto:george.jones@treas.state.nj.us) for review and approval. Only under special circumstances will an exemption be considered.

Note: Any changes to this contract will be published through a contract amendment published on the M-0002 NOA web page.

## **B. Cooperative Purchasing Participants:**

Cooperative Purchasing partners may use the Grainger contract, but must procure products/services in accordance with their existing contracting procedures, i.e., the Local Public Contracts Law or Public School Contracts Law, and pursuant to the direction provided herein.

- Existing State Contracts (Non-Grainger Contract):

If a similar item or service is available under another State contract and the similar item or service addresses primary performance and/or functionality requirements, then the Grainger contract is not to be used. Minor differences in functionality and/or performance between the desired item or service and a similar item or service under another State contract or available from these other organizations or contracts are not valid reasons for purchasing such item(s) or service(s) under the Grainger contract.

- Grainger Sourcing:

Under the master WSCA contract, the vendor offers “Grainger Sourcing”, a service in which it will locate an item which is not included in its catalog and resell it to the Cooperative Purchasing partner. Cooperative Purchasing partners using this service must comply with their existing contracting procedures, i.e., the Local Public Contracts Law or Public School Contracts Law, and pursuant to the direction provided herein.

**Important:** Although included in the contract, Grainger Sourcing purchases require Cooperative Purchasing participants to use sound business judgment and follow local guidelines to assure the best possible pricing and to avoid paying a premium for the vendor performing the sourcing.

- Threshold Limit:

Cooperative Purchasing partners must follow their local purchasing laws when it comes to any threshold limit.

- Special Approvals:

Homeland Security Only: For the purchase of homeland security equipment and supply items of \$29,000 or more that are funded by federal, grants or a combination thereof, Cooperative purchasing partners must email request to Robert Beauregard, Assistant Director, Purchase & Property, at [robert.beauregard@treas.state.nj.us](mailto:robert.beauregard@treas.state.nj.us) for review and approval. Approval requests should include a detailed list of the requested items. Assistant Director Beauregard will determine the most cost effective method of procurement; i.e., whether all or portion of the items should be purchased from Grainger or be procured through another procurement source.

Note: Any changes to this contract will be published through a contract amendment on the M-0002 NOA web page.

## **II. Background:**

On December 15, 2005, Industrial Supplies and Equipment, Lighting Products and Janitorial Supplies and Equipment contract ITB #7066 was awarded to Grainger Industrial Supplies by the State of Nevada under the Western States Contracting Alliance (WSCA).

The Western States Contracting Alliance (WSCA) was formed in October, 1993 by the state purchasing directors from fifteen NASPO western states. The primary purpose was to establish the means by which participating states might join together in cooperative multi-state contracting in order to achieve cost-effective and efficient acquisition of quality products and services. Cooperative purchases are developed by member states. To learn more about WSCA, please visit: [www.aboutwsca.org](http://www.aboutwsca.org).

The following link may be used to obtain information on the WSCA Grainger contract and amendments:

[http://www.aboutwsca.org/old\\_site\\_wsca/contracts/industrial\\_supplies.cfm](http://www.aboutwsca.org/old_site_wsca/contracts/industrial_supplies.cfm)

Pursuant to N.J.S.A. 52:34-6.2, which grants authority to the Division of Purchase and Property to participate in a nationally recognized cooperative, the Division has entered into a contract with Grainger for the materials herein.

## **III. Method of Operation for State Agencies and Cooperative Purchasing Participants:**

### **A) Directions for Use:**

Prior to ordering a product under the Grainger contract, agencies must shop the Grainger State catalog, compare pricing among the similar brands/items and select the

item(s) that would result in the best price. Lower cost items with minor differences in functionality and/or performance must be purchased.

**B) Delivery:**

**Standard, stock items** will be shipped within 24-48 hours. All orders received by 5:00 p.m. will be shipped the same day that the order is received.

**Out of stock items** usually will be shipped within 3-10 days. When this is not possible, the customer will be notified at the time of order.

**For pickup or will-call orders**, the above parameters apply. If an item is not available at a local branch, an order can be placed by 5:00 p.m. to allow for next day pickup at the desired branch location as long as the item is in inventory within the Grainger network.

For all orders placed online or called into branches, product availability and estimated delivery times are provided at time of order.

Emergency orders may be placed 24 hours a day/7 days a week by calling either your local branch office or by calling 1-800-CALL WWG (800-225-5994). The inventory will be checked for items you need, and if in stock, the items may be picked up, at the Grainger branch nearest to the agency.

**C) Ordering:**

The following addresses must be used when processing purchase orders under this contract:

**Purchase Order Address:**

W. W. Grainger Inc.  
Grainger Industrial Supply Division  
Government Call Center  
55 Jackson Drive  
Cranford, NJ 07016-3582

**Remit-To Address:**

W. W. Grainger Inc.  
Dept – 808175806  
Palantine, IL 60038-001

**State of New Jersey Grainger Website:**

The most efficient method of ordering supplies is to use Grainger's catalog online at: [www.grainger.com/stateofnj](http://www.grainger.com/stateofnj). By registering online at Grainger's State of New Jersey contract website, Agencies can access New Jersey's net discounted pricing for most products.

In addition to the latest products and New Jersey contract pricing, the State of New Jersey Grainger contract page has many useful links for locating branches, government

call center information, emergency services, contacts, order pick up and getting started among others.

**Important Note: State Agencies and Cooperative Purchasing participants that order through the Government Call Center must provide the purchase order number. The agency must then indicate "confirming order - do not duplicate" on the purchase order in order to avoid receiving duplicate shipments and billings.**

**D) Additional Discounted Pricing:**

State Agencies and Cooperative Purchasing participants should contact the contractor to see if there is a large quantity discount available. Please contact the contractor for additional information.

**E) Issuing an Agency Purchase Order in MACSE:**

The following information must be entered:

- Net unit price/total on the appropriate MACSE category line.
- Detailed description, including brand and product number.
- Quantity

**NOTE:** The WSCA contract number (WSCA 7066) and State of New Jersey contract number (72605) must be shown on the purchase order.